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Prepared in Terms of the Tariff Schedules of the United States

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TSUS Items 737.21-737.30

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I

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II

FOREWORD

Each Summary of Trade and Tariff Information is part of a series published by the United States International Trade Commission to provide information on conditions of competition between domestic and foreign products. This report, generally covering the period 1975 through 1979, represents one of many being published in the current series of summaries.

This series provides comprehensive coverage of product uses, the domestic industry, U.S. consumption, production, and trade, and the domestic and international markets in each commodity area. The summaries are cast in terms of the eight schedules of the Tariff Schedules of the United States (TSUS).

The current series will consist of approximately 600 individual reports. The Commission will issue updated statistical tables and industry status reports as appropriate for individual summaries. The overall program will run several years, ultimately covering all items of the TSUS.

CONTENTS

	Page
Executive summary	v
Description and uses	1
Customs treatment:	
U.S. customs treatment	2
Foreign customs treatment	5
The U.S. industry	6
The U.S. market:	
Domestic market profile	6
U.S. consumption	8
U.S. production	9
U.S. imports:	
Import trends	10
Imports under item 807.00	12
Imports under the Generalized System of Preferences	13
The international market:	
International market profile	14
U.S. exports	15
Appendix A. Part 5, subpart [illegible] of schedule 7 of the Tariff Schedules of the United States Annotated (1980)	17
Appendix B. Concordance of TSUS numbers, Schedule B numbers, SIC numbers, SITC numbers, and CCCN numbers	21
Appendix C. Statistical tables	23

Tables

1.	Certain toys: U.S. rates of duty, previous, present and negotiated by TSUS items	24
2.	Dolls, parts of dolls, doll clothing and stuffed toy animals: U.S. producers' shipments, exports, imports, apparent consumption, and employment 1975-79	25
3.	Dolls, parts of dolls, doll clothing, and stuffed toy figures of animate objects: U.S. imports for consumption, 1975-79	26
4.	Dolls with or without clothing: U.S. imports for consumption, by principal sources, 1975-79	27
5.	Parts of dolls: U.S. imports for consumption, by principal sources, 1975-79	28
6.	Doll clothing imported separately: U.S. imports for consumption, by principal sources, 1975-79	29
7.	Stuffed toy figures of animate objects, valued not over 10 cents per inch of height: U.S. imports for consumption, by principal sources: 1975-79	30
8.	Stuffed toy figures of animate objects, valued over 10 cents per inch of height: U.S. imports for consumption, by principal sources, 1975-79	31
9.	Dolls, parts of dolls, doll clothing, and stuffed toy figures of animate objects: U.S. imports under TSUS item 807.00, 1975-79	32
10.	Doll clothing imported separately and stuffed toy figures of animate objects: U.S. imports under the Generalized System of Preferences, 1976-79	33
11.	Dolls, parts of dolls, and doll clothing: U.S. exports, by principal markets, 1975-79	34
12.	Stuffed toys: U.S. exports, by principal markets, 1975-79	35

Executive Summary

This summary covers dolls, regardless of use, doll parts, doll clothing, and stuffed toy animals. Eyes for dolls and stuffed toys, doll wigs, accessories, and stuffed toys other than animals are excluded from coverage herein.

The United States is the world's largest single country market for dolls and stuffed toy animals. The domestic industry comprises approximately 230 firms, although the 20 largest account for the bulk of domestic production. Most major producers of dolls and stuffed toy animals also manufacture other toys, as well as games and children's vehicles. Domestic production, concentrated primarily in the higher quality, larger dolls and stuffed toy animals, was valued at an estimated $185 million in 1979. Imports, which have been increasing in recent years, consist in large part of smaller dolls and stuffed toy animals and account for nearly all domestic consumption of doll clothing. In 1979, total aggregate imports amounted to $174 million, or 50 percent of domestic consumption. U.S. exports, consisting primarily of parts intended for assembly and reentry into the United States, were erratic in recent years, and in 1979 amounted to $7.8 million, or about 4 percent of shipments.

The value of apparent U.S. consumption of these products rose steadily from $291 million in 1975 to $414 million in 1977 before declining to $351 million in 1979. Most of the recent decline is a result of the decrease in domestic production. There has been a relatively constant movement of production facilities to foreign locations, particularly for those easily shipped products that have a high labor component, such as smaller stuffed toy animals.

Most domestic manufacturers import to some extent, and all the major producers rely on imports for significant portions of their product lines. A number operate foreign production facilities, as well as joint-venture and licensing arrangements overseas.

Eventually, trade in dolls and stuffed toy animals should reach an equilibrium point with a small, stable domestic industry supplying larger, higher quality products in the medium and upper price ranges and imports, principally from Asia, supplying the remainder.

Description and Uses

Commodity	TSUS item No.
Dolls and parts of dolls, including doll clothing:	
Doll clothing imported separately	737.21
Other	737.22
Toy figures of animate objects (except dolls):	
Not having a spring mechanism:	
Stuffed:	
Valued not over 10 cents per inch of height	737.25
Valued over 10 cents per inch of height	737.25

Note.--For the statutory description, see excerpt from the Tariff Schedules of the United States Annotated (1980) in app. A. A concordance of the TSUS items included in this summary with related categories in other production, export, and import nomenclatures is found in app. B.

The products covered in this summary include dolls, regardless of end use; parts of dolls, except eyes and wigs; doll clothing; and stuffed toy animals. Specifically excluded are doll accessories, such as playsets, furniture, houses, and carriages, stuffed toys other than animals, and most puppets. Therefore, the coverage approaches, but is not identical to, the industry under Standard Industrial Classification (SIC) 3942.

Dolls as a product group can be subdivided into play or toy dolls for children's use and collectible dolls for collection and decoration. Although there is no definite dividing line between the two categories, collectible dolls are generally too delicate or expensive to be exposed to the rough handling encountered in a play situation. Of the two groups, toy dolls represent the most important category in trade. These dolls can be subdivided further into baby dolls, fashion and action-adventure dolls, and a miscellaneous category. Baby dolls are sold in all shapes and sizes, often with additional features including movement or speech. Action-adventure dolls and fashion dolls are similar in that they are used by older children to represent teenagers and adults in simulating real or imagined adult behavior. An excellent example of the fashion doll is Mattel's ubiquitous Barbie; Hasbro's Super Joe (orginally G.I. Joe) represents the action-adventure doll. The miscellaneous category includes stuffed dolls generally intended for younger children and infants.

Although dolls are constructed from a wide variety of materials, including wood, glass, paper, straw, textiles, metal, and ceramics, most nonstuffed play dolls are made of plastics. Plastic dolls are manufactured by molding individual parts (or the entire piece for smaller dolls). Torsos and limbs are usually blow molded, while doll heads are often made by rotational molding. Parts are hand assembled and features can be painted on, although separate eyes and wigs are also used. Hair can be rooted into the head in sections on larger dolls. Doll clothing must be cut and sewn by hand.

Stuffed toy animals range from small inexpensive curiosities to larger-than-life-size animals and characters costing many hundreds of dollars at retail. One category of stuffed animal is the low-quality, inexpensive animal of rather simple design generally used as a prize in carnival games. These carnival toys are of little significance compared with the remaining products in this summary because they do not normally compete with the better toys sold in stores. Stuffed-toy skins (the unstuffed animal) are usually made from textile materials; they are either soft or plush. Plush is a trade term referring to a stuffed toy that is soft and pliable generally having a furry or velvet-like exterior that is often intended to simulate the coat of an actual animal.

Stuffed-toy production is highly labor intensive. Pieces must be hand-cut and sewn to produce toy skins. The skin is sewn inside out, leaving a small opening which allows the skin to be reversed and the filler material blown in. Prior to stuffing, the eyes and other features are added so that once stuffed and closed the toy is essentially complete. The variety of patterns and styles necessary to produce a full line of doll clothing and stuffed toy animals prevents the economic automation of most of the production process.

In general, there is little difference between domestic and imported dolls and stuffed toys. Imports are usually concentrated in the smaller stuffed toys and dolls and, therefore, most fashion and action-adventure dolls are imported. However, imported stuffed toys from those Asian producers that are not connected in some manner with U.S. toy firms do tend to be of slightly lower quality than their domestic counterparts. Domestic doll clothing is generally higher quality clothing for use on collectible dolls.

Customs Treatment

U.S. customs treatment

The following table shows the current rates of duty which apply to dolls, most doll parts, doll clothing, and stuffed toy animal imports from those countries having most-favored-nation (MFN) status (col. 1), the future column 1 rates of duty negotiated in the Tokyo round of the Multilateral Trade Negotiations (MTN), the previous column 1 rates of duty which were in effect prior to the initial staged reduction, the rates of duty which apply to imports from countries designated by the President as being under Communist domination or control (col. 2), and a statement as to the eligibility for duty-free treatment under the Generalized System of Preferences (GSP) 1/ of products entered under items 737.21-737.30 of the Tariff Schedules of the United States (TSUS).

The customs classification of dolls and doll parts is relatively uncomplicated because these are eo nomine provisions. Anything commonly and

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1/ The Generalized System of Preferences, under title V of the Trade Act of 1974, provides duty-free treatment of specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented by Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is expected to remain in effect until Jan. 4, 1985.

Dolls, parts of dolls, doll clothing, and stuffed toy figures of animate objects: U.S. rates of duty, previous, present, and negotiated, by TSUS items

TSUS item No.	Description	Previous col. 1 rate of duty 1/	Present col. 1 rate of duty 2/	Negotiated col. 1 rate of duty 3/	Col. 2 rate of duty 4/	GSP eligibility
	Dolls and parts of dolls including doll clothing:					
737.21	Doll clothing imported separately	17.5% ad val.	16.3% ad val.	8% ad val.	70% ad val.	Yes 5/
737.22	Other	17.5% ad val.	16.8% ad val.	12% ad val.	70% ad val.	No
	Toy figures of animate objects (except dolls):					
	Stuffed:					
737.25	Valued not over 10 cents per inch of height.	28% ad val.	25.9% ad val.	11.2% ad val.	70% ad val.	Yes 6/
737.30	Valued over 10 cents per inch of height.	9% ad val.	8.6% ad val.	5.5% ad val.	70% ad val.	Yes 7/

1/ Effective Jan. 1, 1972-Dec. 31, 1979.
2/ Effective Jan. 1, 1980.
3/ Rate negotiated under the Multilateral Trade Negotiations (Tokyo round), to be achieved through 8 annual staged reductions. This rate is currently applicable to products from countries designated as "least developed developing countries" (LDDC).
4/ Rate provided in the Tariff Act of 1930.
5/ Effective Mar. 1, 1978.
6/ Excluding imports from Taiwan effective Mar. 30, 1980. Imports from the Republic of Korea were excluded from GSP eligibility under this item during the period Mar. 1, 1978--Mar. 29, 1980.
7/ Excluding imports from the Republic of Korea effective Mar. 1, 1978.

BEST DOCUMENT AVAILABLE

commercially known as a doll is considered as such for tariff purposes. Clothing, to be classified as "doll clothing imported separately", must be packaged or shipped in bulk in a different container than dolls. Extra outfits combined with a dressed doll in a retail package are, therefore, not considered to have been imported separately. With respect to certain doll parts, it should be noted that doll eyes (and stuffed toy eyes as well) are classified as artificial eyes under TSUS item 790.00 at 14.8 percent ad valorem (col. 1 rate), and doll wigs not permanently attached to a doll, as wigs under item 790.70 at 4 percent ad valorem.

The tariff classification of stuffed toy animals presents greater difficulty. Present U.S. Customs Service practice requires that a toy animal must be "crammed full" or fully distended with the filler material to be considered stuffed. This definition limits the filler material to those fibrous textile and other synthetic materials similar to the traditional stuffing material, kapok. For example, a beanbag-type animal, usually filled with styrofoam beads or crushed nutshells (beans are rarely used), by its nature does not allow a skin to be crammed full and is therefore not considered stuffed. Of course the general nature of a beanbag is to be loosely filled; however, even if a skin is tightly filled with beads or crushed nutshells, it is easily altered in shape without returning to its original shape and therefore is not stuffed to full distension. In practice, only a small quantity of beanbag filler in an otherwise traditionally stuffed animal--for example, a small amount of crushed nutshells in the seat allowing the animal flexibility to sit upright--is sufficient to exclude such a product from the stuffed-toy provisions.

Table 1 in appendix C shows the rates of duty and GSP eligibility for the tariff provisions under which these similar toy animals, other stuffed toys that are not animate objects, and parts of stuffed toys are classified. Beanbag animals, including those filled with nutshells, are classified under TSUS item 737.40. Even TSUS item 737.35, articles wholly or almost wholly of metal, can encompass some of these products. For example, a toy that otherwise appears stuffed, containing a metal-band spring that allows the animal to support its weight by clamping action of the hidden spring, is classified as almost wholly of metal since this function imparts the chief or essential characteristic of the toy. Similarly, the addition of a spring mechanism, which for tariff purposes must be a clockwork-type mechanism, to give an animal movement or sound, would result in classification under TSUS item 737.45 or item 737.50. Stuffed toys other than animals and parts of all stuffed toys are classified under TSUS item 737.95 as other toys and parts of toys, respectively.

Imports under stuffed-toy provisions 737.25 and 737.30 have been eligible for duty-free treatment under GSP since its inception in 1976. However, imports from the Republic of Korea lost that eligibility under section 504(c) of the Trade Act of 1974, when imports under these items from that country in 1977 exceeded 50 percent of total imports in terms of value. 1/ The effects of this loss are discussed in the import section. Doll clothing imported separately was granted GSP status on March 1, 1978, as a result of a petition to the Trade Policy Staff Committee filed by 19 leading U.S. doll producers.

1/ In March 1980, Taiwan lost GSP eligibility for TSUS item 737.25, while Korea regained its eligibility under that item.

During the past 5 years there have been six worker adjustment assistance investigations (four on doll clothing and two on stuffed toys) involving an estimated 313 workers. An estimated 101 workers at two of the doll-clothing firms were certified as eligible for adjustment assistance; the remaining petitions were denied.

Foreign customs treatment

With the exception of the United States and Canada, most countries use the Customs Cooperation Council Nomenclature (CCCN), formerly the Brussels Tariff Nomenclature as the basis for their tariff classifications. The CCCN classifies dolls, parts, and clothing in heading 97.02 under dolls, and all stuffed toys in heading 97.03 as toys. As is the case in the TSUS, the CCCN considers any representation of a human, other than mannequins, a doll regardless of use. The distinctions between various types of stuffed toys found in the TSUS do not occur in the CCCN. While it would be impractical to list all tariffs applied to stuffed toy animals and dolls, the following tabulation shows the present rates of duty and the rates offered under the MTN by the major export markets for finished stuffed toys and dolls--Canada, the European Economic Community (EEC), and Japan--on imports from the United States:

Market	Description of commodity and foreign tariff item No.	Present rate of duty 1/	Negotiated rate of duty 2/
Canada	Dolls (62405-1)	19.4% ad val.	15% ad val.
	Doll clothing and stuffed toys (62410-1).	19.4% ad val.	12.5% ad val.
EEC	Dolls (whether or not dressed) (97.02A).	15% ad val.	8% ad val.
	Doll parts and doll clothing imported separately (97.02B).	11.4% ad val.	6.9% ad val.
	Stuffed toys (97.03B)	15% ad val.	8% ad val.
Japan	Dolls, doll parts, and clothing (97.02).	7.5% ad val. 3/	5.8% ad val.
	Stuffed toys (97.03)	7.5% ad val. 3/	5.8% ad val.

1/ Rates currently applicable to imports from the United States.
2/ Final rates negotiated under the Multilateral Trade Negotiations.
3/ Temporary rate. The most-favored-nation rate is 9 percent ad val.

It should be noted that certain doll parts may be classified according to the component material of chief value in Canada and are, therefore, dutiable at varying rates.

The U.S. Industry

There were approximately 230 establishments producing dolls and stuffed toy animals domestically in 1977. Although 1977 is the latest year for which data are available, the number of establishments is believed to have declined slightly in 1978 and 1979. This represents a decrease from the 243 establishments existing in 1972 and is the continuation of the trend extending back to 1963, when there were 410 establishments. Production is concentrated in the Middle Atlantic and New England States, particularly New York, the location of nearly 45 percent of the producing establishments in 1977. California is the site of a number of the largest producers. Employment peaked in 1974, when there were 10,700 total employees and 9,400 production workers. Total employment declined irregularly to an estimated 7,900 in 1979, with 6,600 production workers.

The 20 largest firms account for the bulk of domestic production and although there are small firms devoted solely to the sale of dolls or stuffed toys, most of the major producers also manufacture or market other toys, games, and children's vehicles. In addition, most domestic producers, including all the major firms, import to some extent, ranging from the importation of doll clothing to significant investment in foreign production facilities for supplying both the U.S. and foreign markets. There is also significant foreign assembly of U.S. components for reexport to the United States under the provisions of TSUS item 807.00. 1/ The 807.00 operations particularly applied to stuffed toys until 1977, when many firms began shifting to total foreign production to take advantage of GSP.

As indicated earlier, the production of dolls, doll clothing, and stuffed toys is labor intensive, with the latter two product groups requiring the highest amount of hand labor. Unskilled labor accounts for the bulk of this production.

The distribution system for dolls and stuffed toys is two tiered--the larger retailers, such as department stores, discount chains, and toy chains, generally require quantities large enough to enable them to purchase directly from the manufacturer or, in some cases, to arrange to import directly. The remainder, including most independent toy retailers, generally purchase from wholesalers.

The U.S. Market

Domestic market profile

With the exception of collectible dolls and some novelty and large stuffed toys, children are the ultimate consumers of these products, and sales generally coincide with population concentrations. The purchaser of dolls and stuffed toys intended for infants and young children is most often a parent or relative. It is interesting to note that although the play value of these

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1/ Under TSUS item 807.00, imported articles assembled in foreign countries with fabricated components that have been manufactured in the United States are subject to duty upon the full value of the imported product less the value of the U.S.-fabricated components contained therein.

toys must be geared for the young child, the marketing often concentrates more on those qualities that would appeal to an adult. Conversely, the more advanced dolls, including action-adventure and fashion dolls, are likely to be purchased by the older child or the purchase will be initiated by the child. However, the significance of the sale of dolls and stuffed toys as gifts is most amply demonstrated by the fact that fourth-quarter purchases still account for the bulk of sales.

Dolls and stuffed toy animals, like all toys, are sold primarily through department stores, discount houses (including discount toy chains), and independent toy retailers, with lesser sales through a variety of additional outlets such as supermarkets, drugstores, gift shops, and mail-order houses. There is constant competition among new products, often short-lived fad products, against a background of longer lived, less advertised staple toys. The fad or TV toy is one that is heavily advertised on television, generally during new product introduction and is most often found in the doll category. TV toys, if successful, are in high demand for a short period of time, often experiencing production shortfalls, and are subject to intense price competition at the retail level.

Another important factor in doll and stuffed toy design is the use of licensed characters, often combined with a TV toy promotion. Licensing works particularly well with both dolls and stuffed toys and can greatly improve sales while adding little to the ultimate cost of a product. Although a licensed toy often has a short lifespan, depending on the public's response and interest in the character, others have very long ones, such as the Mickey Mouse and Raggedy Ann and Andy dolls.

Most nonlicensed stuffed toy animals and not a few licensed ones fall into the staple category; the nonmechanical baby doll is probably the best example of a staple doll. This is not to suggest that is it impossible for a fashion doll to join the ranks of the staples. For example, the Barbie doll's popularity for more than two decades would indicate the longevity of a staple (at least for Mattel), even if the relatively heavy promotion would exclude it. The staple doll or stuffed toy produces relatively constant high-profit sales without relying on advertising or extensive new product introductions, and is, therefore, the backbone of the market.

Dolls and stuffed toys are similar to most other toys in that sales are highly seasonal. Most sales occur in the fourth quarter as Christmas sales, and stuffed toys traditionally experience another sales peak around Easter. This seasonality dictates the varied toy mix among the different retail outlets.

An independent toy retailer and the toy discount chains are obliged to offer a wide selection of dolls and stuffed toys year round. For the independent toy store particularly, this means a greater reliance on staple sales with their higher profit margins. Although forced by public demand to stock fad or "hot" items to present a complete product line, the competition from discount chains eliminates profits on these toys for the independent. Additionally, toy stores do not share with department stores and general

merchandise discounters the luxury of cutting back the toy department after the peak selling seasons, another factor that requires strong year-round staple sales.

The trend since 1977 has been away from TV toys back to the staple categories for both dolls and stuffed toys, primarily because of higher television advertising costs, impending restrictions on TV advertising aimed at children, and the lower profit potential offered by these items on an individual sale. Additionally, no one TV toy has caught the public's fancy, and the lower profit margins make it impractical for the retailer to stock all the offered toys that are heavily promoted.

Expected to continue into the next decade is an increasing demand for plush stuffed toys that represent real animals. Similarly, doll sales should continue to move back to the basics such as the nonmechanical baby doll. As a counterpoint, the judicious use of licensed characters will add some "hot" items. Licensing for toys has settled down from a few years ago when seemingly every new product was using licensing regardless of applicability. The success of the licensing of the Star Wars characters did, however, stimulate a general interest in space-oriented toys, a trend that should continue in the near future and may be infused with greater strength by a new crop of successful science fiction films including a Star Wars sequel. These products should stand out against the staple categories in a time when no one TV toy or product line appears to dramatically outsell another.

Competition between imported and domestic dolls and stuffed toy animals depends primarily on two factors--labor cost and transportation costs. For products that are as labor intensive as these, the wage-rate advantage enjoyed by producers in developing countries, particularly in Asia, is obvious. However, transportation costs, primarily the cost of ocean freight, provide a counterbalancing competitive advantage to the domestic producer. For relatively lightweight products such as these, freight charges are based on the space used, not weight. Freight costs in addition to duties can tip the balance in favor of domestic production of larger dolls and stuffed toys, and, indeed, imports are heavily concentrated in fashion and action-adventure dolls and smaller stuffed dolls and toy animals. The compactness of doll clothing negates the freight-cost advantage, and hence the prevalence of imported doll clothing. Similarly, freight cost would not be as crucial in an 807.00 operation shipping toy skins for stuffing in the United States, and this could provide a continued incentive for the use of such facilities in larger stuffed toy production. This is particularly true for Haiti, which now enjoys the lower duty rates for least developed developing countries. It should be noted that Hong Kong, the largest exporter in the world, maintains particularly good outgoing freight rates.

U.S. consumption

As shown in table 2, U.S. consumption of dolls and stuffed toy animals increased steadily from an estimated $291 million in 1975 to $414 million in 1977 before declining to $351 million in 1979. During this period, consumption of stuffed toy animals experienced the greatest gains, accounting for 47 percent of total consumption in 1979, up from 24 percent in 1975.

The consumption data shown in this table must be used with care because the value reported for imports is not strictly comparable with that for producers' shipments and exports. Producers' shipments and exports are reported on first billing value, while import values are customs values, roughly f.o.b. foreign port. All costs associated with importation, including freight, insurance, duties, and importer's profit have been estimated by the U.S. Department of Commerce to raise the import value for all toys by an average factor of 2.3. Applying this average to dolls and stuffed toy animals would raise U.S. consumption to $393 million in 1975, $599 million in 1977, and $573 million in 1979. The adjustment results in a somewhat greater growth in consumption between 1975 and 1977 and a lesser decline by 1979. U.S. consumption of these articles should grow at a fairly steady pace in the near future, although inflation is expected to account for a considerable percentage of this growth.

The ratio of imports of dolls and stuffed toy animals to domestic consumption climbed steadily from 27 percent in 1975 to 50 percent in 1979. Import penetration of the doll market was the greatest, fluctuating from a low of 33 percent in 1975 to a high of nearly 68 percent in 1979. However, imports of stuffed toy animals showed the greatest growth in market share. After dropping from 18 percent in 1974 to 11 percent in 1975, this ratio jumped to more than 30 percent in 1978 and 1979.

The extreme importance of imports in this industry is better illustrated when the average cost adjustment factor of 2.3 is used to bring import value to levels comparable with that for shipments and exports. The ratio rises dramatically to nearly 70 percent overall in 1979. When all imported doll clothing figures, including clothing imported on the doll, are adjusted, imports are shown to have supplied about 90 percent of domestic consumption during 1975-79.

U.S. production

Producers' shipments of dolls and stuffed toy animals increased steadily from an estimated $219 million in 1975 to $282 million in 1977 before declining to $185 million in 1979 (table 2). Production of stuffed toy animals doubled between 1974 and 1976, when it accounted for 48 percent of total production. Although stuffed toy animal production then declined steadily, it still accounted for 47 percent of the total value in 1978 and more than 60 percent in 1979. Doll production increased irregularly between 1975 and 1977, peaking in the latter year. Owing to high labor costs, domestic doll clothing production is limited to expensive high-quality clothing for collectible dolls and emergency supplies used in high-demand situations when timely imports are not available. Clothing production is estimated to have increased from $6.4 million in 1974 to $10 million in 1979, but this increase is believed to be due to inflation.

Increases in freight rates and the lessening disparities in wages between the United States and the major Asian producers should serve to bolster U.S. production in the future. There is, however, very little real growth expected in these industries in the near future. Inflation, particularly plastics cost increases, should account for any apparent growth in sales of domestically produced dolls, although the production of larger, higher quality dolls and stuffed toys should result in a stable domestic industry.

U.S. imports

Import trends.--As shown in table 3, imports of dolls and stuffed toy animals rose from $78.3 million in 1975 to $174 million in 1979. Most of this increase occurred in 1976, 1977, and 1979; imports of dolls and doll clothing actually decreased in 1978. Doll imports generally set the trend for the category as a whole. Hong Kong remained the major source of doll imports during 1975-79, accounting for 51 to 58 percent of total imports in terms of value. Taiwan, the next largest supplier, accounted for 21 to 27 percent of the total; and Korea, Mexico, Japan, and, in 1979, the Philippines were the other major suppliers (table 4).

An analysis of 1979 doll imports shows a dichotomous pattern of supply. These imports can be divided into three statistical groups: stuffed dolls, accounting for 13.3 percent of total value; dolls over 13 inches in height, 16.6 percent; and dolls 13 inches and under in height, 70.1 percent. Taiwan was the largest supplier of stuffed dolls, followed by Mexico and Hong Kong; these three countries accounted for 85 percent of total stuffed doll imports in 1979. Interestingly, Korea, the largest foreign producer of stuffed toys, supplies relatively few stuffed dolls (9 percent of the total value in 1979), indicating the different pattern of U.S. investment in these countries by doll producers and stuffed toy producers. In the second category, dolls over 13 inches, Hong Kong is the largest supplier, accounting for 46 percent of the total value, followed by Taiwan (18 percent) and Korea (10 percent). Imports from Korea under this category are atypical in that they consist primarily of large fashion dolls. In the last category, Hong Kong accounted for 64 percent of imports, Taiwan, for 20 percent, and the Philippines, for 6 percent in 1979. Hong Kong is the world's largest supplier of fashion and action-adventure dolls, the bulk of which are manufactured either for the account of U.S. firms or by their own subsidiaries in the colony.

Imports of doll parts, consisting primarily of doll heads and mechanical actions that cannot economically be produced domestically, increased steadily during 1975-79 (table 5). As with dolls, Hong Kong, Taiwan, and Korea were the chief sources, accounting for between 78 and 94 percent of total import value during the period.

The data shown in table 3 for doll clothing includes only those items that are imported separately. Most dolls are imported dressed, often with extra clothing in the package which is classifiable with the doll itself. Prior to 1978 the doll clothing imported separately can be assumed to have been primarily for use on domestic dolls and was therefore a partial indication of domestic doll production. These imports increased to a peak in 1977, following a pattern similar to that of domestic doll shipments. The granting of GSP treatment to doll clothing in March 1978 encouraged importers to ship more of their doll clothing separately rather than with the doll, thereby making these imports a less reliable indicator of domestic production.

Hong Kong, Korea, and Taiwan are the major import sources of doll clothing, never accounting for less than 94 percent of total import value during 1975-77 (table 6). This share dropped to 79 percent by 1979, but this could be related to the granting of GSP treatment to these items. Not only are domestic firms expanding sources of supply (principally the Philippines in 1978 and Haiti in 1979), but by supplying a part of their needs from alternate

sources they reduce the chance of one of the major sources supplying more than 50 percent of the total value imported in any 1 year and thereby losing GSP eligibility in the following year.

Stuffed toy animal imports bottomed out at $7.5 million in 1975, ending a general declining trend started in the early 1970's, before increasing dramatically to $50.4 million in 1979. One of the primary reasons for this astounding increase is rooted in the failure of a number of Korean wig producers in the early 1970's. These facilities were converted to stuffed toy production through U.S. investment designed to take advantage of lower labor rates. This investment together with the overall encouragement of foreign stuffed toy production by the institution of GSP created the tremendous increase in imports.

For stuffed toy animals valued not over 10 cents per inch of height (item 732.25), the greatest increases occurred in 1976 and 1977 (table 7). Although growth slowed somewhat in 1978, part of this change is attributable to inflation's forcing these products into the higher value bracket. Imports in the higher value bracket (item 737.30) increased from $4.5 million in 1975 to $42.5 million in 1979 (table 8). Korea, even in the absence of GSP eligibility in 1978 and 1979, remained the major source of imports during the period under discussion, accounting for 14 percent of the total value in the lower value bracket and 65 percent in the upper value bracket in 1979. Until 1976, Taiwan, a supplier of less expensive toys, was the major source of imports under item 737.25 and regained this position from Korea in 1979, accounting for 80 percent of the total value. Imports from Taiwan under item 737.25 subsequently lost GSP eligibility in 1980, while Korea regained its eligibility. Imports from Taiwan under item 737.30 have also been increasing, amounting to $6 million in 1979. Until 1978, Mexico was a significant source of the more expensive stuffed toy animal imports, but although still the third largest supplier under item 737.30 in 1979, Mexico accounted for only 7 percent of the total value.

Approximately 20 to 25 percent of the imports under item 737.25 and 2 to 5 percent of those under item 737.30 consist of the inexpensive carnival toys that do not compete with domestic products. Since there has been little growth in carnival stuffed toy imports, these percentages were much higher prior to the explosive market expansion in 1976.

The largest domestic doll producers are capable of significant shifts in production location in order to benefit from advantageous cost situations. For the past decade and into the foreseeable future, these advantages accrue primarily to the developing countries of Asia. The People's Republic of China, as well, can be expected to become a significant exporter of toys, because early in 1979, Dunbee-Combex-Marx (DCM), a British firm that is probably the largest toy producer in the world, signed an exclusive 10-year trading agreement to supply producing equipment and materials to China. This agreement gives DCM exclusive distribution rights for all products made from DCM equipment in the United States, Belgium, Ireland, and the Netherlands for 3 years and in the United Kingdom for 10 years. The additional bonus of MFN

treatment granted to China in 1980 could also stimulate imports from that country--the duty reductions are substantial since the column 2 rate of duty for all the products is 70 percent ad valorem.

Inflation combined with the current weakness of the dollar in international exchange should continue to account for much of the growth in imports in terms of value and, consequently, in apparent consumption. These factors should result in a stable domestic industry concentrating on the production of the larger, higher quality dolls and stuffed toy animals in the medium and upper price ranges, primarily in the staple categories, with imports, principally from Hong Kong, Korea, and Taiwan, supplying the remainder of the market. Wage rate increases could, however, shift some production to less developed Asian, South and Central American, and Caribbean countries. Imports from developed countries and areas, particularly Canada, the EEC, and Japan, should remain relatively small, consisting of the highest quality products designed to compete on the basis of quality and uniqueness of design, not price.

Imports under item 807.00.--As indicated earlier, with the institution of GSP, imports under item 807.00 as a share of total imports have declined, particularly those of stuffed toy animals, as production was shifted totally to foreign plants. Imports of dolls under this provision, not affected by GSP, still declined from accounting for 31 percent of the total value in 1974 to about 10 percent after 1976 (table 9). Most of this decline occurred because of the closing of the largest Mexican 807.00 operation. However, in the interim, other 807.00 facilities in Mexico were expanded so that by 1978, Mexico was again the largest source, replacing Hong Kong in that year. Other significant suppliers of dolls under item 807.00 on a less regular basis include Korea, Taiwan, and Haiti.

Imports of doll parts under item 807.00 ranged between 15 and 16 percent of total import value during 1975-78 and then jumped to 31 percent in 1979. Hong Kong is again the largest and most consistent source, although significant imports from Haiti, Mexico, and Taiwan occurred sporadically. Imports from El Salvador rose from $30,000 in 1977 to $848,000 in 1979, indicating an expansion in doll part production in that country. Doll clothing imported separately under this provision has never been significant, primarily because it is less expensive to produce the entire article abroad; however, in 1979, item 807.00 imports accounted for more than 9 percent of the total value imported. Since 1975, Haiti has been the chief source of these imports, accounting for all imports in 1979.

The importance of the item 807.00 provision for stuffed toy animal imports prior to GSP was dependent on the value of the toys. The cost of the U.S. component in these items effectively limited item 807.00 imports to the higher value bracket. In fact, since 1975, item 807.00 imports classified in item 737.25 have never exceeded 2 percent of the total value, and there were no such imports in 1979. Imports of stuffed toy animals classified under item 737.30, and entered under item 807.00 were far more significant prior to GSP, accounting for more than 21 percent of total imports in 1974 and 1975. With the explosion of GSP imports, the share declined to 4 percent in 1979, although the actual value ranged between $957,000 and $3.6 million during the period. Virtually all these imports came from Mexico and are believed to have been the shipments of one U.S. firm's 807.00 operation along the border.

Imports under the Generalized System of Preferences.--Only imports of stuffed toy animals and doll clothing imported separately are eligible for duty-free treatment under the GSP. Doll clothing imported separately is used primarily on domestically produced dolls, and although such imports have only been eligible under GSP since March 1, 1978, the fact that nearly 75 percent of total imports in that year and more than 85 percent in 1979 entered under GSP (table 10) indicates U.S. manufacturers' willingness to take advantage of these cost savings. The duty saving is particularly important in light of the fact that doll clothing represents approximately 23.5 percent of the total cost of a doll packaged for retail sale. 1/ As with total doll clothing imports, Hong Kong, Korea, and Taiwan are the chief sources of GSP clothing imports. Import data for 1979 indicate a greater expansion in GSP imports from the Philippines and Thailand as well.

As suggested earlier, the operation of the Generalized System of Preferences has had a number of curious effects on imports and domestic trade in stuffed toy animals. The initiation of GSP combined with the expansion of investment in the Orient (chiefly Korea) created an explosion in stuffed toy imports, most of which were entered under GSP. GSP imports under item 737.25 rose from 80 percent of the total value in 1976 to more than 91 percent in 1977, and the value increased more than 1-1/2 times. Korea accounted for nearly 55 percent of GSP imports under that item in 1976 and more than 63 percent in 1977. Taiwan accounted for most of the remainder. Similarly, GSP imports under item 737.30 rose from $5.3 million, representing 47 percent of the total in 1976, to $15.6 million or 67 percent in 1977. Korea was again the leading source, accounting for more than 78 percent of GSP imports in each year. Taiwan, Israel, Mexico, and Hong Kong were the other large GSP import sources under this item.

The reduction of GSP imports in 1978 to $8.4 million, or 71 percent of the total under item 737.25, and to $8.6 million, or 29 percent of the total under item 737.30, was due almost entirely to Korea's loss of GSP status. This is not to say that imports from Korea declined to any great extent: although such imports under item 737.25 declined slightly to $5.9 million from $6.4 million between 1977 and 1978, those under item 737.30 increased by more than 50 percent, rising from $12.4 million to $18.9 million, enough trade to extend Korea's ineligibility through 1979. In 1979, the trend for item 737.30 extended further as imports from Korea jumped to $27.7 million, but the loss of GSP status under item 737.25 finally took its full toll, and imports dropped to $1.1 million. However, at the same time, imports from Taiwan under item 737.25 rose to $6.3 million, resulting in that country's loss of GSP status for this item in 1980, while Korea regained it. It is possible that Korea will again advance as a supplier of these lower cost toys, with the eventual trading of GSP status between the two countries every 1 or 2 years. In any event, total imports under this item should continue to decline as inflation forces more of these toys into the higher value bracket.

As stated earlier, much of the Korean production resulted from the direct investment by a number of U.S. stuffed toy producers in order to take advantage of the lower Korean wage rates. This advantage was apparent to

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1/ As estimated by the Toy Manufacturers of America, Inc.

other producers as well because at least one major West German manufacturer now obtains part of its product line from Korea. The U.S. investment also spawned a number of independent stuffed toy producers which took advantage of the favorable U.S. stuffed toy market. These producers, as part of an overall Korean toy industry push to increase exports, sold products to a relatively new group of importers which had not previously been marketing stuffed toys in the United States. Korean manufacturers were also forced to find new buyers when the more traditional U.S. toy importers shifted part of their investment to countries retaining GSP status in 1978, hence causing an increase in GSP imports from other Asian, South American, and Central American countries. The trend will probably continue, although these countries are unlikely to supplant Korea and Taiwan any time soon.

Concurrently with these developments, some U.S.-backed Korean producers began to use crushed nutshells or combinations of nutshells and shredded clippings as filler material in their smaller animals. Unlike most beanbag-type toys, those filled with crushed nutshells are generally directly competitive with other plush toys. However, the use of this filler results in the classification of these articles as not stuffed, usually under TSUS item 737.40. Imports from Korea under this item retain GSP eligibility. It is estimated that imports of these nutshell filled plush toys since 1977 have amounted to from $8 million to $10 million annually. Depending upon the length of time Korea is excluded from GSP eligibility for stuffed toy animals, there could be a greater substitution of crushed nutshells for the more traditional stuffings in Korean stuffed toy animals, particularly the more expensive toys.

The International Market

International market profile

Internationally, the largest markets for finished dolls and stuffed toy animals are the developed countries, such as Canada, Japan, and the EEC. The competitive situation in these markets is similar to that in the United States: smaller low-priced dolls are supplied by imports, while higher priced and larger items are produced domestically. The EEC is one market for these products of which West Germany, traditionally a major toy producer, is the largest supplier.

U.S. doll and stuffed toy producers have not been particularly export oriented, and generally with good reason. The transportation cost becomes an additional burden to U.S. exports. Already saddled with tariff costs and generally high labor costs, the U.S. exporter must compete with the same Asian products found in the United States, as well as the domestic product. These disadvantages tend to reduce U.S. exports to very high quality stuffed toys and dolls, particularly collectibles, that compete on the basis of design, not price. Japan does offer a substantial doll market; however, it is unlikely that U.S. producers will mount any serious effort to penetrate this market from the United States, preferring to make their sales to Japan from their Asian production facilities.

U.S. exports

Exports of dolls and stuffed toys are small compared with producers' shipments, not exceeding 5 percent of annual shipments during 1975-79. The bulk of exports are believed to consist of parts and unfinished toys intended for foreign assembly and reexport to the United States under item 807.00. Doll exports, including parts and clothing, increased steadily from $3.2 million in 1975 to $6.1 million in 1978, and then declined slightly to $5.9 million in 1979 (table 11). The closing of the largest 807.00 operation in Mexico in 1975 gives an unnaturally low base for that year. With this closing, Mexico's share of doll exports dropped from more than 60 percent prior to 1975 to 8 to 13 percent in the last 4 years. Mexico was superseded by Hong Kong as the largest doll export market in 1976, which was then surpassed by Haiti. In 1979, Haiti was the largest doll export market, accounting for more than 25 percent of the total value. Canada and the United Kingdom are the two remaining consistently large export markets. These exports are finished, higher quality dolls--the general product mix exported to developed countries.

Exports of stuffed toys increased steadily between 1975 and 1977, rising from $3.1 million to $5 million before declining to $2 million in 1979 (table 12). This decline is partially explained by GSP. Prior to 1978, Haiti was the largest stuffed toy export market, accounting for 40 to 55 percent of the total value; that share dropped to 16 percent in 1978. To a lesser extent, exports to the Dominican Republic follow the same pattern. As with dolls, exports to these countries were primarily parts to be sewn and often stuffed for reexport to the United States and third-country markets. With the advent of GSP, this multicountry production has given way to single-country foreign production. Therefore, in 1978, the United Kingdom surpassed Haiti as the largest export market for stuffed toy animals and represents exports of high-quality finished products. In keeping with this trend, 1978 saw the rise of Belgium, Canada, and West Germany as major stuffed toy export markets. This represents the first time in more than a decade when most stuffed toy exports were of finished products. This trend continued into 1979, although Haiti was once again the largest export market.

U.S. exports of dolls and stuffed toys are expected to decline in real value in the future, particularly if item 807.00 production of stuffed toys shrinks.

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Appendix A

Part 5, subpart E, of schedule 7 of the Tariff Schedules of the United States Annotated (1980)

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GSP	Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty 1	LDDC	2
			Subpart E. - Models; Dolls, Toys, Tricks, Party Favors				
			Subpart E headnotes:				
			1. The articles described in the provisions of this subpart (except parts) shall be classified in such provisions, whether or not such articles are more specifically provided for elsewhere in the tariff schedules, but the provisions of this subpart do not apply to —				
			(i) doll carriages, doll strollers, and parts thereof (see part 3C of this schedule);				
			(ii) wheeled goods designed to be ridden by children, and parts thereof (see part 3C of this schedule); or				
			(iii) games and other articles in items 734.15 and 734.20, toy balls (items 735.09-.12), and puzzles and games in item 735.20 (see part 5D of this schedule).				
			2. For the purposes of the tariff schedules, a "toy" is any article chiefly used for the amusement of children or adults.				
			Model trains, model airplanes, model boats, and other model articles, all the foregoing whether or not toys; and construction kits or sets for making or assembling such model articles:				
	737.05	00	Models of inventions and of other improvements in the arts, to be used exclusively as models	X	Free		Free
			Other models, and construction kits or sets:				
A	737.07	00	Rail locomotives and rail vehicles; railroad and railway rolling stock; track, including switching track; rail depots, round houses, signal towers, water towers, and other trackside structures; trolley buses and trolley-bus systems; cable-car systems; highway vehicles; ships and harbor structures; and airplanes and spacecraft; all the foregoing made to scale of the actual article at the ratio of 1 to 85 or smaller	X	7.6% ad val.	5.1% ad val.	45% ad val.
A	737.09	00	Construction kits or sets with construction units prefabricated to precise scale of the actual article	X	9% ad val.	5.7% ad val.	45% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

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GSP	Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty 1	Rates of Duty 12DC	Rates of Duty 2
			Model trains, model airplanes, model boats, etc. (con.):				
			Other models, and construction kits or sets (con.):				
A	737.15		Other	.....	16.3% ad val.	7.8% ad val.	70% ad val.
		20	Articles described in item 737.07, made to a scale of the actual article at a ratio larger than 1 to 85	X			
		60	Other	X			
			Dolls, and parts of dolls including doll clothing:				
A	737.21	00	Doll clothing imported separately	X.....	16.3% ad val.	8% ad val.	70% ad val.
	737.22		Other	.....	16.8% ad val.	12% ad val.	70% ad val.
			Dolls (with or without clothing):				
		05	Stuffed	No.			
			Other:				
		15	Over 13 inches in height	No.			
		25	13 inches and under in height	No.			
		40	Parts of dolls	X			
			Toy figures of animate objects (except dolls):				
			Not having a spring mechanism:				
			Stuffed:				
A*	737.25	00	Valued not over 10 cents per inch of height	No.....	25.9% ad val.	11.2% ad val.	70% ad val.
A*	737.30	00	Valued over 10 cents per inch of height	No.....	8.6% ad val.	5.5% ad val.	70% ad val.
			Not stuffed:				
(2)A	737.35	00	Wholly or almost wholly of metal	No.....	9.7% ad val.	4.2% ad val.	70% ad val.
A	737.40	00	Other	No.....	16.2% ad val.	7% ad val.	70% ad val.
			Having a spring mechanism:				
(2)A*	737.45	00	Wholly or almost wholly of metal	No.....	11.2% ad val.	5.8% ad val.	70% ad val.
A*	737.50	00	Other	No.....	20.4% ad val.	8.8% ad val.	70% ad val.
	737.52	00	Toy books, including coloring books and books the only reading matter in which consists of letters, numerals, or descriptive words	X.....	Free		Free
A	737.55	00	Toy alphabet blocks; and toy building blocks, bricks, and shapes	X.....	9.9% ad val.	6% ad val.	70% ad val.
(2)A*	737.60	00	Toy musical instruments	X.....	14.8% ad val.	6.4% ad val.	70% ad val.
A	737.65	00	Magic tricks, and practical joke articles	X.....	9.5% ad val.	5.8% ad val.	70% ad val.
A	737.70	00	Confetti, paper spirals or streamers, party favors, and noisemakers	X.....	7% ad val.	4% ad val.	45% ad val.

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

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GSP	Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			Toys, and parts of toys, not specially provided for:				
A*	737.80	00	Toys having a spring mechanism	No.	20.4% ad val.	8.8% ad val.	70% ad val.
			Other:				
	737.85	00	Kites	X	16.3% ad val.	7.8% ad val.	70% ad val.
A*	737.95		Other		16.2% ad val.	7% ad val.	70% ad val.
		15	Toys having a friction or weight operated motor	No.			
		25	Toys having an electric motor	No.			
			Other (except parts):				
			Wholly or almost wholly of rubber or plastics:				
		35	Inflatable	X			
		45	Other	X			
		50	Other	X			
		60	Parts	X			

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

Appendix B

Concordance of TSUS numbers, Schedule B numbers, SIC numbers, SITC numbers, and CCCN numbers

Dolls, parts of dolls, doll clothing, and stuffed toys: TSUS item numbers, Schedule B numbers, SIC numbers, SITC numbers, and CCCN (BTN) numbers included in this commodity group

TSUS item No.	Schedule B No.	SIC No.	SITC No.	CCCN (BTN) No.
737.21	737.2060	3942 (pt.)	894.22 (pt.)	97.02 (pt.)
737.22	737.2020	3942 (pt.)	894.22 (pt.)	97.02 (pt.)
	737.2040			
737.25	737.2600 (pt.)	3942 (pt.)	894.23 (pt.)	97.03 (pt.)
737.30	737.2600 (pt.)	3942 (pt.)	894.23 (pt.)	97.03 (pt.)

Appendix C

Statistical Tables

Table 1.--Certain toys: U.S. rates of duty, previous, present and negotiated, by TSUS items

TSUS item No.	Description	Previous col. 1 rate of duty 1/	Present col. 1 rate of duty 2/	Negotiated col. 1 rate of duty 3/	Col. 2 rate of duty 4/	GSP eligibility
	Toy figures of animate objects (except dolls):					
	Not having a spring mechanism:					
	Not stuffed:					
737.35	Wholly or almost wholly of metal—	10.5% ad val.	9.7% ad val.	4.2% ad val.	70% ad val.	Yes
737.40	Other----------	17.5% ad val.	16.2% ad val.	7% ad val.	70% ad val.	Yes
	Having a spring mechanism:					
737.45	Wholly or almost wholly of metal----	12% ad val.	11.2% ad val.	5.8% ad val.	70% ad val.	Yes 5/
737.50	Other----------	22% ad val.	20.4% ad val.	8.8% ad val.	70% ad val.	Yes 5/
	Toys and parts of toys, not specially provided for:					
	/Toys having a spring mechanism:/					
	Other:					
	/Kites/					
737.95	Other (including stuffed toys other than animals and parts of stuffed toys)----------	17.5% ad val.	16.2% ad val.	7% ad val.	70% ad val.	Yes 6/

1/ Effective Jan. 1, 1972-Dec. 31, 1979.
2/ Effective Jan. 1, 1980.
3/ Rate negotiated under the Multilateral Trade Negotiations (Tokyo round), to be achieved through 8 annual staged reductions.
4/ Rate provided in the Tariff Act of 1930.
5/ Excluding imports from Hong Kong.
6/ Excluding imports from Hong Kong and Taiwan.

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Table 2.--Dolls, parts of dolls, doll clothing, and stuffed toy animals: U.S. producers' shipments, exports, imports, apparent consumption, and employment, 1975-79

Item	1975	1976	1977	1978	1979
Producers' shipments 1/ million dollars	218.7	260.3	281.8	209.0	185.0
Exports----------do	6.2	8.3	10.1	9.2	7.8
Imports 2/----------do	78.3	108.3	2/ 142.2	2/ 145.0	2/ 174.0
Apparent consumption----------do	290.8	360.3	413.9	344.8	351.2
Ratio of imports to apparent consumption----------percent	27	30	34	42	50
Total employees----1,000 workers	8.9	9.5	8.9	8.4	3/ 7.9
Production workers----------do	7.9	8.3	7.7	7.2	3/ 6.6

1/ Estimated on the basis of data supplied by the Toy Manufacturers of America, Inc., and official statistics of the U.S. Department of Commerce.

2/ Does not include imports of plush toy animals filled in whole or in part with crushed nutshells. Such imports are estimated to have ranged between $8 million and $10 million annually since 1977.

3/ Estimated.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 3.--Dolls, parts of dolls, doll clothing, and stuffed toy figures of animate objects: U.S. imports for consumption, 1975-79

Product	1975	1976	1977	1978	1979
	Quantity (1,000 units)				
Dolls (with or without clothing)	103,035	135,445	129,541	141,568	152,413
Doll parts	1/	1/	1/	1/	1/
Doll clothing imported separately	1/	1/	1/	1/	1/
Subtotal	103,035	135,445	129,541	141,568	152,413
Stuffed toy figures:					
Valued not over 10¢ per inch of height	8,488	12,243	27,822	24,956	20,291
Valued over 10¢ per inch of height	3,317	7,661	18,183	25,517	30,084
Subtotal	11,765	19,904	46,005	50,473	50,375
Total	114,800	155,349	175,546	192,041	202,788
	Value (1,000 dollars)				
Dolls (with or without clothing)	55,421	71,690	82,913	82,517	95,958
Doll parts	4,299	6,165	6,347	6,613	9,374
Doll clothing imported separately	11,083	14,489	18,533	14,170	18,253
Subtotal	70,803	92,344	107,793	103,300	123,585
Stuffed toy figures:					
Valued not over 10¢ per inch of height	3,038	4,685	10,965	11,716	7,880
Valued over 10¢ per inch of height	4,506	11,262	23,440	29,940	42,489
Subtotal	7,544	15,947	34,405	41,656	50,369
Total	78,347	108,291	142,198	144,956	173,954

1/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 4.--Dolls, with or without clothing: U.S. imports for consumption, by principal sources, 1975-79

Source	1975	1976	1977	1978	1979
	Quantity (1,000 units)				
Hong Kong	62,801	76,382	77,977	89,052	93,603
Taiwan	26,402	39,358	32,674	36,010	35,980
Korea	3,289	8,314	10,941	6,789	6,423
Mexico	822	665	1,283	2,157	1,801
Philippines	5	13	190	1,780	5,301
Japan	5,648	4,949	4,663	3,583	1,580
All other	4,068	5,764	1,813	1,927	7,725
Total	103,035	135,445	129,541	141,568	152,413
	Value (1,000 dollars)				
Hong Kong	32,418	39,514	45,646	42,685	51,621
Taiwan	13,163	19,530	17,688	18,541	21,728
Korea	2,308	5,911	10,161	6,544	5,696
Mexico	2,357	1,398	3,122	6,244	5,670
Philippines	6	2	66	1,684	4,174
Japan	2,039	2,015	2,788	3,103	1,720
All other	3,130	3,320	3,432	3,716	5,349
Total	55,421	71,690	82,913	82,517	95,958

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 5.--Parts of dolls: U.S. imports for consumption, by principal sources, 1975-79

(In thousands of dollars)

Source	1975	1976	1977	1978	1979
Hong Kong	2,731	2,059	2,914	2,883	4,318
Taiwan	1,026	2,636	2,591	2,512	2,083
Korea	246	407	439	433	940
El Salvador	1/	-	37	369	858
Haiti	6	752	162	52	544
Japan	257	235	160	153	159
West Germany	8	24	5	15	65
Mexico	16	-	1	19	1
All other	9	52	38	177	406
Total	4,299	6,165	6,347	6,613	9,374

1/ Less than $500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 6.--Doll clothing imported separately: U.S. imports for consumption, by principal sources, 1975-79

(In thousands of dollars)

Source	1975	1976	1977	1978	1979
Hong Kong	4,942	6,700	7,978	5,922	7,700
Korea	3,595	5,655	6,591	3,976	4,250
Taiwan	2,137	1,784	2,721	2,394	2,414
Philippines	-	15	65	877	1,922
Haiti	281	163	523	767	1,710
Japan	95	48	514	36	30
Mexico	-	100	1	1/	-
All other	33	24	140	128	227
Total	11,083	14,489	18,533	14,170	18,253

1/ Less than $500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 7.--Stuffed toy figures of animate objects, valued not over 10 cents per inch of height (item 737.25): U.S. imports for consumption, by principal sources, 1975-79

Source	1975	1976	1977	1978	1979
	Quantity (1,000 units)				
Taiwan	4,421	6,151	10,965	12,628	14,800
Korea	1,881	3,749	12,242	9,861	3,868
Hong Kong	608	1,042	1,654	1,289	775
China	65	5	171	72	209
Haiti	-	30	592	539	340
Japan	1,288	1,121	2,092	390	85
Canada	50	51	15	7	39
All other	135	94	91	170	175
Total	8,488	12,243	27,822	24,956	20,291
	Value (1,000 dollars)				
Taiwan	1,447	1,709	3,322	5,031	6,291
Korea	817	2,168	6,442	5,904	1,096
Hong Kong	186	179	453	314	153
China	15	20	40	22	75
Haiti	-	8	120	138	51
Japan	500	534	542	204	41
Canada	26	46	9	3	28
All other	47	21	37	100	145
Total	3,038	4,685	10,965	11,716	7,880

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 8.--Stuffed toy figures of animate objects, valued over 10 cents per inch of height (item 737.30): U.S. imports for consumption, by principal sources, 1975-79

Source	1975	1976	1977	1978	1979
	Quantity (1,000 units)				
Korea	1,509	3,701	11,916	16,917	19,085
Taiwan	42	760	2,313	3,611	6,437
Mexico	722	973	2,079	1,272	1,022
Japan	357	577	560	1,139	626
Canada	199	451	205	212	175
Israel	4	13	97	185	156
West Germany	77	131	145	104	50
All other	407	1,055	868	2,077	2,533
Total	3,317	7,661	18,183	25,517	30,084
	Value (1,000 dollars)				
Korea	1,284	4,313	12,406	18,905	27,699
Taiwan	35	601	1,837	2,529	6,040
Mexico	996	1,801	4,426	2,641	2,844
Japan	454	916	1,301	1,808	1,521
Canada	789	1,980	1,062	1,045	1,021
Israel	18	64	547	1,109	703
West Germany	364	602	662	618	336
All other	566	985	1,199	1,285	2,325
Total	4,506	11,262	23,440	29,940	42,489

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 9.--Dolls, parts of dolls, doll clothing, and stuffed toy figures of animate objects: U.S. imports under TSUS item 807.00, 1975-79

(In thousands of dollars)

Product	1975	1976	1977	1978	1979
Dolls	9,537	7,182	7,486	8,389	10,337
Doll parts	214	847	455	1,051	2,896
Doll clothing imported separately	304	269	525	765	1,706
Subtotal	10,055	8,298	8,466	10,205	14,939
Stuffed toy figures:					
Valued not over 10¢ per inch of height	24	14	120	36	-
Valued over 10¢ per inch of height	957	1,530	3,614	1,885	1,780
Subtotal	981	1,544	3,734	1,921	1,780
Total	11,036	9,842	12,200	12,126	16,719

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 10.—Doll clothing imported separately and stuffed toy figures of animate objects: U.S. imports under the Generalized System of Preferences, 1976-79

(In thousands of dollars)

Product	1976	1977	1978	1979
Doll clothing imported separately	1/	1/	10,509	15,727
Stuffed toy figures:				
Valued not over 10¢ per inch of height	3,754	9,990	8,365	6,592
Valued over 10¢ per inch of height	5,297	15,645	8,617	9,381
Total stuffed toys	9,051	25,635	16,982	15,973

1/ This product was not eligible for GSP treatment prior to 1978.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 11.--Dolls, parts of dolls, and doll clothing: U.S. exports, by principal markets, 1975-79

(In thousands of dollars)

Market	1975	1976	1977	1978	1979
Haiti	336	579	1,624	1,476	1,504
Mexico	498	318	495	534	760
Hong Kong	453	1,145	675	504	687
Canada	497	712	481	725	546
El Salvador	34	38	251	69	362
United Kingdom	168	60	68	144	162
Australia	136	127	129	93	127
Dominican Republic	10	28	44	1,036	9
All other	1,027	860	1,282	1,540	1,758
Total	3,159	3,867	5,049	6,121	5,915

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 12.--Stuffed toys: U.S. exports, by principal markets, 1975-79

(In thousands of dollars)

Market	1975	1976	1977	1978	1979
Haiti	1,320	2,434	1,936	472	324
Belgium	39	48	112	433	201
United Kingdom	7	11	8	571	180
Canada	201	267	190	347	180
West Germany	16	13	23	276	170
Mexico	614	550	246	155	95
Australia	75	69	14	57	32
France	41	81	81	68	4
Dominican Republic	360	657	1,950	4	3
All other	396	283	411	649	698
Total	3,069	4,413	5,021	3,032	1,887

Source: Compiled from official statistics of the U.S. Department of Commerce.

SUMMARIES OF TRADE AND TARIFF INFORMATION

USITC Publication

Complete list of Summaries published to date in Schedule 7

Control No.	Title	Control No.	Title
7-1-1	Luggage		
7-9-2	Fireworks		
7-2-3	Physical Testing Machines and Appliances		
7-10-4	Writing Instruments		
7-3-5	Pianos and Other Keyboard Stringed Instruments		
7-2-6	Unmounted Ophthalmic Lenses		